



STATE BOARD OF EQUALIZATION

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Executive Director
No. 97/71

December 11, 1997

TO COUNTY ASSESSORS:

COMMERCIAL AND INDUSTRIAL VALUE GUIDES

Since the late 1960's, the Board has published Assessors' Handbook Section 532, *Commercial Building Cost Manual*, and Assessors' Handbook Section 533, *Industrial Building Costs and Building Cost Indices*, to promote uniformity in assessment of commercial and industrial properties. On January 11, 1996, the Board withdrew AH 532 and AH 533 from the Assessors' Handbook series.

Section 401.5 of the Revenue and Taxation Code (as amended by Chapter 1087, Statutes of 1996) provides:

"The board shall issue to assessors data relating to costs of property, or, with respect to commercial and industrial property, shall, after a public hearing, review and approve commercially available data, and shall issue to assessors other information as in the judgment of the board will promote uniformity in appraisal practices and in assessed values throughout the state. An assessor shall adapt data received pursuant to this section to local conditions and may consider that data together with other factors as required by law in the assessment of property for tax purposes."

To comply with section 401.5, on November 18, 1997 the Board's Property Tax Committee held a hearing to review and approve a cost guide. As a result of the information provided at the committee hearing, on November 20, 1997 the Board approved the *Marshall Valuation Service* as the basic cost guide for valuing commercial and industrial properties. Therefore, the *Marshall* guide should be used for determining current costs of commercial and industrial properties. Assessors are encouraged to make any adjustments that are necessary to achieve fair market value assessments of commercial and industrial properties. Variances from the values indicated by use of the recommended guide should be based on reasonable evidence and should be well documented.

To place an order for the *Marshall Valuation Service* guides, call the following toll free number:

Marshall & Swift Publication Co.
(800) 544-2678

If you have any questions regarding the use of the cost guides, please contact our Cost Unit at (916) 445-4982.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard C. Johnson".

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ